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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

JASON CHAN LEE,

Plaintiff,

v.

MTC FINANCIAL, et al.,

Defendants.

Case No. 15-cv-05215-RMW

NOTICE THAT PLAINTIFFS' LAW FIRM(S) HAVE BEEN PLACED IN RECEIVERSHIP AND REQUEST FOR 90-DAY STAY OF ACTION CONSISTENT WITH FEDERAL COURT'S ORDER

United States District Court
Central District of California
Case No. LACV16-00999-BRO (AFMx)

Notice is hereby provided that, on June 1, 2016, the United States District Court for the Central District of California issued a Temporary Restraining Order ("TRO") that placed the law firms of Brookstone Law P.C. (California), Brookstone Law P.C. (Nevada), Advantis Law P.C., and Advantis Law Group P.C. in receivership. The case placing these law firms in receivership is entitled *Federal Trade Commission v. Kutzner, et al.*, C.D. Cal. Case No. LACV16-00999-BRO (AFMx). A copy of the TRO is attached hereto as Exhibit 1.

On June 15, 2016, the court in *Federal Trade Commission v. Kutzner* continued the hearing on whether to convert the TRO into a preliminary injunction, and left the TRO in place, until July 1, 2016. Therefore the receivership remains in place at least until July 1, 2016. A copy of the Order extending the TRO is attached hereto as Exhibit 2.

This notice is being filed because the counsel of record for the plaintiff(s) in this case include Brookstone Law P.C. (California), Brookstone Law P.C. (Nevada), Advantis Law P.C., and/or Advantis Law Group P.C.

Under the terms of the TRO, the Court-appointed Temporary Receiver, Thomas W. McNamara (the "Receiver") has taken control of the law firms and has suspended operations. They will remain closed until at least the hearing on July 1, 2016. If a preliminary injunction issues, they will remain closed indefinitely afterwards except as may be otherwise ordered by the receivership court.

Under the TRO, the Receiver does ***not*** represent the clients of Brookstone Law P.C. (California), Brookstone Law P.C. (Nevada), Advantis Law P.C., and Advantis Law Group P.C. He is, however, authorized to request that the courts hearing any cases brought by those law firms stay the cases for 90 days while clients are notified and given the opportunity to obtain new plaintiffs' counsel. The TRO thus states that the Receiver may:

> **File, within the Temporary Receiver's discretion, notices in any ongoing litigation being conducted by a lawyer working for or with the Receivership Entity, informing that court and the parties, that**

> **the Receivership Entities have been placed in a receivership, that the Receivership Entities are withdrawing from the case, and further seek leave of that court for a stay of all proceedings for at least ninety (90) days to permit any client of the Receivership Entities to obtain replacement counsel,** provided, however, that the Temporary Receiver will not be required to litigate, or hire attorneys to litigate, any such pending cases....

(TRO § XV(S) (page 22, lines 12-20) (emphasis added)).

Accordingly, the Receiver hereby requests that this case be stayed for 90 days so that plaintiffs can secure new counsel in this case, and so that they will not be prejudiced by the receivership. The Receiver expressly notes that the Receiver has formed no opinion, positive or negative, on the merits of this case. The TRO and receivership were put in place for reasons relating to the operations of the law firms at issue. These reasons do ***not*** relate to the merits of this litigation. The existence of the TRO and receivership should not be taken as any indication as to the merits of the claims by the plaintiffs in this case.

Dated: June 17, 2016

MCNAMARA BENJAMIN LLP

By: S/ DANIEL M. BENJAMIN
Daniel M. Benjamin
Attorneys for the Court-Appointed Receiver of Brookstone Law P.C. (California), Brookstone Law P.C. (Nevada), Advantis Law P.C., and Advantis Law Group P.C.

CERTIFICATE OF SERVICE

I, Jill Jacobs, declare as follows:

I am an employee of a member of the bar of this Court at whose direction was made in the County of San Diego, State of California. I am over the age of 18 and not a party to the within action; my business address is 501 West Broadway, Suite 2020, San Diego, California 92101.

On June 17, 2016, I served the following document(s) described as: **NOTICE THAT PLAINTIFFS' LAW FIRM(S) HAVE BEEN PLACED IN RECEIVERSHIP AND REQUEST FOR 90-DAY STAY OF ACTION CONSISTENT WITH FEDERAL COURT'S ORDER** on interested parties in this action by placing ☐ the original ☒ true copy(ies) thereof enclosed in sealed envelopes as follows:

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☒ **VIA CM / ECF** by electronically filing the foregoing with the Clerk of the District Court using its ECF System, which electronically notifies them via email as indicated above.

☒ (FEDERAL): I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed June 17, 2016, in San Diego, California.

Jill Jacobs